

QUESTION AND ANSWER SESSION

Designed to help you understand where we're going with the RFP so you can design a better proposal

When inspectors go through buildings, do they take photos (that can locate valuable items)?

The City's pictures reflect condition of the property; salvage photos should identify valuables. That would be the responsibility of the salvage contractor.

The City has access and inventory – the photos can allow the bidding salvage contractor to take a tour of the building without leaving their office.

With deconstruction teams, are they skilled in gently handling material when they deconstruct, trim, or cabinets?

Yes.

How do you know if this stuff has any value?

Value is determined sometimes by what the buyer needs, not necessarily what something is worth. Initially, the City will identify salvageable based on samples in the inventory.

Under the deconstruction program, are there subject matter experts who can say, "This is valuable" and contact the appropriate parties?

Yes. Dave Bennink of Re-Use Consulting in Seattle, WA, has been training City staff for over a year. The City knows other contractors. A contractor called from Plymouth, WI, who wanted to come to the City to salvage wood rafters, floor joists, beams, columns. It is something they use and resell all over the country. They will come in and take it, or the City takes the building down and they salvage and return it to their warehouse in Plymouth.

The City is going to give salvage contractors a list of contractors who buy items (e.g. wood cabinets)

The role of the curator is important. Through this process (the RFP or City assistance) they City can identify a facility and a curator, and the job of the curator is to manage the inventory, putt it on a website, and keep data to support the value.

It sounds like the City is going to establish a salvage store that will compete with already established stores, and what we're doing with the RFP is giving

the City an education on what we have experience on. Is it about job creation or displacement?

The City would prefer not to start a store, and that the contractors do that. What the City prefers is to maximize the diversion of materials from landfills. There are contractors who selectively salvage; the City believes there is a full salvage market potential and increase the salvageable material.

How can that help us profit from this? The City doesn't pay taxes, we do, and we can't compete with what is going out for free.

There are proposals that can be made to maximize salvage contractors' benefit without City involvement. In that scenario, the City is not involved in any of it. The City gives the contractor the building and the contractor does the salvage. The City believes there is potential in this salvage and jobs can be created from it.

The City wants to infuse the market to be sure it's getting done.

The City knows there are people in town salvaging, but valuable material is still going to the dump.

The City is setting parameters, but doesn't have the best plan. The City is waiting on you to write the plan. That is what the RFP is about.

It's not going to be easy, and the City is not going to say "Free material!" There's a catch. The City wants jobs; the City wants something to come out of this.

A lot of the problem is not having trained individuals to do the deconstruction. Many places go to temp services or family. How are we going to address this?

Dave Bennink is going to try to identify and teach individuals who do the deconstruction.

The City is not eliminating deconstruction. The City will do ten (10) projects this year, regardless of what happens in the salvage industry.

Deconstruction for the City is a training program. The City pays more for demo when we deconstruct, the valuable part of that process is the training. The City believes in the long term this will create a more competitive process for deconstruction.

After deconstruction last year, the City found itself with valuable materials and no place to take them. This year, the City will know where it's going and create markets – permanent markets – for those materials.

At the beginning you mentioned you could have inventory sitting while looking for markets. City also wants blighted homes to go away sooner rather than later. Isn't this a conflict?

Properties aren't sitting because the City is trying to find a salvage contractor; they're sitting because of the legal processes and environmental constraints that prevent the City from tearing buildings down immediately. This gives the City and the salvage contractor time to identify material in the property and get the valuables out there before the building is torn down. In some cases, it takes the City 90 days to perfect the raze order. sometimes salvage contractors will have more time than others.

There are more contractors looking for reclaimed or "green"/ environmentally friendly materials, like flooring, roof rafters, etc.

The City's vision is soft strip (salvage contractor taking anything that can be removed safely in the beginning). There may be other components we don't salvage until the demolition occurs (e.g. floor joists, rafters).

Will we be able to come to one of the houses and get the salvage stuff and pay you and wait for the next house?

The purpose of this salvage RFP is to get one contractor that will facilitate all salvaging. The salvage contractor has the inventory, they oversee the salvage. The City does the demolition.

Ideally, the salvage contractor is maintaining the salvage records for the City so we know where the valuables are. This may or may not be part of the proposal and what the City does will change based on the proposals received.

Again, the emphasis is on value to the City, creating jobs, and landfill diversion.

Nothing in the proposal is binding the salvage contractor to take every property put forward. The City will continue to do demo and deconstruction.

You mentioned the Residential Preference Program. Is there a provision in the RPP that, in lieu of that, can that be used in lieu of residency?

No. There's an ordinance attached to the RFP, separate from the small business initiative. The requirements of the RPP must be met. The ideal is trying to create jobs in the City of Milwaukee.

The RFP requires a RPP. It is a City ordinance. Documentation of compliance with that ordinance must be part of the salvage contractor's submittal to get paid.

What are the SBE/LBE requirements?

There are none. The City substituted the RPP requirement. The City is not looking to do a percentage of small business participation, but looking to create the jobs. With an RPP we achieve our goal within the City of Milwaukee.

Complications:

What if the gas on? Electric? Water? Sewer – We need to think ahead and think through the process. What about asbestos and other hazardous materials?

For the purposes of this RFP – the City will provide those services (abate asbestos, remove hazardous materials). The City will continue to do that and will not expect the salvage contractor to do that unless they contract for demo/deconstruction.

How do assign salvage rights to the non-City owned properties?

Once the City has perfected the condemnation process, the City notifies the owner that they have ten (10) days to remove valuables. After ten (10) days, it becomes property of salvage contractor.

If the City realizes a profit, the City keeps an inventory to reimburse the private property owner.

Is this under the prevailing wage?

No, it is not.

Is there a list of resources?

The City will update our resource list and mail everyone a copy.

The RFP identifies the City has first right of salvage. How do we identify properties City is interested in and convey that info to the contractor?

The City will ask the salvage contractor to come in and inventory materials for the 100 City owned properties. Inspectors will identify salvageable material in private property. Both groups will inventory those early in the process.

The City has a board up scheme that is at a higher level than just flimsy sheets of plywood on the door. This will make it harder to break into a property.

The RFP requires insurance, agreement indemnifying the city, and inspections by a licensed engineer to insure property is safe. Do we hire our own before salvage or is that for deconstruction?

It depends. Given the building, the City may have to go in and remove valuable material from a structurally unsound building (e.g. in the event of a fire). If there is a situation like that, the salvage contractor needs to craft a proposal and hire an architect or engineer to inspect and come up with temporary safeguards as the salvage contractor goes into properties.

The City salvage rights will be for a period of two (2) years. The City will have first right to review properties scheduled for demo and recover artifacts prior to the group that possesses salvage rights. Are you going to cherry pick the buildings?

No. The City is not interested in the salvage or material; the City is interested in the final destination: out of the landfill and jobs. The City doesn't want any of the material.

However, the City does have historic preservation requirements and they may say what salvaged material must come to the City. We preserve our right to maintain that salvage. This is very rare.

The City may invoice the salvager for time and materials if the site is not secure. What do we do as a salvager if someone breaks in? Are we liable and do we have to go back and re-secure the building?

The City is concerned about meeting the standard for security. The City will not hold you responsible for vandalism above and beyond a reasonable attempt to secure the property.

Regarding confidentiality: my business we submitted a grant application to the DNR in 1998 and my marketing plan was given to others who copied my business model. If I write a proposal and give you trade secrets, will it be held in confidence?

Anyone who submits an RFP will have that RFP kept confidential to every extent of the law. The City would need a court order to release the salvage contractor's document unless said contractor is the successful bidder. If so, that contract becomes an open record. Competitors can request an open document, it would be redacted and it would be here in the office so it can be perused but not photocopied. Redaction would remove confidential information.

On the material price, is it the acquisition price or the resale price?

Some of the material may not be resold yet. So the City has a valuation tool: attached to the RFP. The City will use that tool as the basis of the valuation.

Owner shall have the right to claim damages against the salvage company in the event said Salvage Company has not complied with this agreement. What does this mean?

Once the City accepts your RFP a contract will establish parameters the salvage contractor has agreed to. If the salvage contractor fails to honor the contract, the City has your bond for the amount in the contract. The contract is structured based on the RFP and it is a binding contract.

Hold harmless agreement will be signed by both parties before salvage can begin. What I'm worried about is something like needles in the houses, some type of hazard that one of my employees can be harmed (also chemicals, etc.) Are you going to go through the houses to address these safety issues before I bring my employees in?

The City will contract to remove all universal waste. However, salvage contractors are expected to go through the house before bringing in employees and to ensure workers comp, etc. so that any claim is against the salvage contractor and not the City.

How, with the trailers, can we request a walkthrough before we bid to address safety issues?

The walkthrough was performed June 6; those sites are not included in the salvage contract. The goal was a preview of some of the valuables you'll be exposed to in this contract.

Prior to the salvage contractor being obligated to do anything, they will be allowed to do a walkthrough for inventory and hazards. The City contracts to abate asbestos and universal waste. Those materials are removed from the site prior to demo and the City will continue to do normal demolition processes and procedures. The City expects the salvage contractor to use precaution when salvaging.

Trust that a salvage will not be classified as deconstruction. The City will have deconstruction contractors doing deconstruction.

The City will have cooperation between contractors, when the City issues a contract for salvage rights, the City will put that inventory on the contract for the deconstruction/demolition contractor so the demolition contractor knows those materials go to you intact.

Are the valuations estimates or is that actual numbers?

The salvage contractor may attach the valuation to the submitted RFP, and the City will go with that if your RFP is accepted. In the absence of that, the City will use our consultant's valuation.

Another goal is to create a market for materials in the City of Milwaukee. Two years from now the City will be talking firmer and more committed numbers and processes.